

ORDINANCE NO. 2005 - 004

AN ORDINANCE OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, ESTABLISHING AN EXEMPTION FROM CERTAIN AD VALOREM TAXATION FOR CERTAIN NEW AND EXPANDING BUSINESS PROPERTIES TO ENCOURAGE ECONOMIC DEVELOPMENT IN THE COUNTY; PROVIDING FOR TITLE; PROVIDING FOR ENACTMENT AUTHORITY; PROVIDING FOR INTENT AND DECLARATION; PROVIDING FOR DEFINITION OF TERMS; PROVIDING FOR AN APPLICATION; PROVIDING FOR APPLICATION CONSIDERATION; PROVIDING FOR APPLICATION FEE; PROVIDING FOR REVOCATION OF EXEMPTION/RECOVERY OF FUNDS; PROVIDING FOR APPEALS; PROVIDING FOR APPLICABILITY; PROVIDING FOR INCLUSION IN THE CODE OF LAWS AND ORDINANCES; PROVIDING FOR SEVERABILITY; PROVIDING FOR REPEAL OF LAWS IN CONFLICT; AND PROVIDING FOR AN EFFECTIVE DATE.

**WHEREAS**, the Board of County Commissioners believes that local government should support economic growth by providing an incentive for employment opportunities that will lead to the improvement of the quality of life of the residents of Palm Beach County and the positive expansion of the economy; and

**WHEREAS**, to this end, the Board of County Commissioners desires to offer ad valorem tax exemptions to new businesses relocating to Palm Beach County and to expansions of businesses already situated in Palm Beach County; and

**WHEREAS**, the granting of ad valorem tax exemptions to businesses will provide Palm Beach County with an additional economic development incentive which will enhance the ability of Palm Beach County to be competitive when trying to encourage new business development in Palm Beach County and retain local businesses with planned expansions; and

**WHEREAS**, such exemptions are authorized pursuant to Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, upon the successful passage of a referendum; and

**WHEREAS**, the electors of Palm Beach County desire to authorize the offering of ad valorem tax exemptions as evidenced by the successful passage of a referendum held on this issue on August 31, 2004.

**NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA**, that:

**SECTION 1. Title**

This Ordinance shall be known as the "Economic Development Ad Valorem Tax Exemption Ordinance of Palm Beach County, Florida."

**SECTION 2. Enactment Authority**

Article VII, Section 3, of the Constitution of the State of Florida and Section 196.1995, Florida Statutes, empowers the County to grant economic development ad valorem tax exemptions after the electors of the County, voting on the question in a referendum, authorize such exemptions. In a referendum held on August 31, 2004, the voters of Palm Beach County authorized the Board of County

Commissioners to grant economic development ad valorem tax exemptions.

### **SECTION 3. Intent and Declaration**

It is the intent of the Board of County Commissioners of Palm Beach County (hereinafter the "Board") in enacting this Ordinance to provide an incentive to those new or expanded businesses which make a positive contribution to the economy of Palm Beach County in terms of new jobs and improvements to real and personal property.

The intent of the Board is to promote the economy by creating jobs in Palm Beach County in such a way so as not to disadvantage existing businesses while recognizing that productive competition assists in economic growth.

The Board desires to provide incentives to businesses of diverse industries, with the exception of retail operations, having a positive impact on the economy of Palm Beach County. The Board declares that the provision of ad valorem tax exemptions pursuant to this Ordinance serves the public purpose of fostering economic growth in Palm Beach County, all to the benefit of Palm Beach County's residents and business owners.

The granting of, or the denial of exemptions will be conducted on a rational, nonarbitrary, nondiscriminatory basis by the Board, in furtherance of the economic development goals of Palm Beach County. Any and all exemptions granted must result in an economic benefit to the County. To this end, prior to any grant of an exemption, the Board will take into full consideration the factors set forth in Section 6.B. of this Ordinance. Since the intent of the Board is to promote economic growth through attracting businesses and encouraging expansions that support Palm Beach County and its existing businesses, these factors will be considered on a case-by-case basis to determine that the economic benefit test is met. In addition to these factors, the Board is interested in the purchasing power created by the new business as it desires to prompt other sales in the County resulting in an increase in income, all to the benefit of the public of Palm Beach County.

Based on Section 196.1995, Florida Statutes, this Ordinance shall expire ten (10) years after the date such authority to grant exemptions was approved by the electors of the County voting on the question in a referendum. The referendum was held on August 31, 2004. This Ordinance shall expire on August 31, 2014.

### **SECTION 4. Definition of Terms**

The following words, phrases, and terms shall have the same meanings attributed to them in current Florida Statutes and the Florida Administrative Code, except where the context clearly indicates otherwise:

- A. Applicant - Any person, firm, partnership, or corporation who files an application with the Board seeking an economic development ad valorem tax exemption.
- B. Board - The Board of County Commissioners of Palm Beach County.
- C. Business - Any activity engaged in by any person, firm, partnership, corporation, or other business organization or entity, with the object of private or public gain, benefit, or advantage,



1           either direct or indirect.

2       D.    Department - The Florida Department of Revenue.

3       E.    Enterprise Zone - An area designated as an enterprise zone pursuant to Section 290.0065,  
4       Florida Statutes.

5       F.    Expansion of an Existing Business - As primarily defined in Section 196.012(16), Florida Statutes,  
6       an expansion of an existing business means:

7           1.       (a)    A business establishing ten (10) or more jobs to employ ten (10) or more full-time  
8                       employees in this County, which manufactures, processes, compounds,

9                       fabricates, or produces for sale items of tangible personal property at a fixed  
10                      location and which comprises an industrial or manufacturing plant; or

11           (b)    A business establishing twenty-five (25) or more jobs to employ twenty-five (25)  
12                   or more full-time employees in this County, the sales factor of which, as  
13                   defined by Section 220.15(5), Florida Statutes, for the facility with respect to  
14                   which it requests an economic development ad valorem tax exemption is less  
15                   than fifty (50%) percent inside this County for each year the exemption is  
16                   claimed; or

17           (c)    A business occupying office space in this County and establishing fifty (50) or  
18                   more jobs to employ fifty (50) or more full-time employees; or

19           (d)    Any business located in an enterprise zone (pursuant to Section 290.0065,  
20                   Florida Statutes) and creating new full-time jobs in accordance with the business  
21                   disciplines identified above.

22           2.       Any expansion of an existing business, including a business located in an enterprise  
23                   zone, must increase operations on a site colocated with a commercial or industrial  
24                   operation owned by the same business, resulting in a net increase in employment of not  
25                   less than ten (10%) percent or an increase in productive output of not less than ten (10%)  
26                   percent.

27       G.    Goods – All personalty when purchased primarily for personal, family, or household use, but not  
28           including personalty sold for commercial or industrial use.

29       H.    Improvements - Physical changes made to raw land, and structures placed on or under the land  
30           surface.

31       I.    New Business - As primarily defined in Section 196.012(15), Florida Statutes, a new business  
32           means:

33           1.       (a)    A business establishing ten (10) or more jobs to employ ten (10) or more full-time  
34                       employees in this County which manufactures, processes, compounds,  
35                       fabricates, or produces for sale items of tangible personal property at a fixed  
36                       location and which comprises an industrial or manufacturing plant; or

37           (b)    A business establishing twenty-five (25) or more jobs to employ twenty-five (25)

- 1 or more full-time employees in this County, the sales factor of which, as  
2 defined by Section 220.15(5), Florida Statutes, for the facility with respect to  
3 which it requests an economic development ad valorem tax exemption is less  
4 than fifty (50%) percent inside this County for each year the exemption is  
5 claimed; or  
6 (c) An office space in this County leased or owned and used by a corporation  
7 newly domiciled in this County; provided such office space houses fifty (50)  
8 or more full-time employees of such corporation; or  
9 (d) Any business located in an enterprise zone (pursuant to Section 290.0065,  
10 Florida Statutes) and creating new full-time jobs in accordance with the business  
11 disciplines identified above.

- 12 2. Any new business, including a business located in an enterprise zone, must first begin  
13 operation on a site clearly separate from any other commercial or industrial operation  
14 owned by the same business.

15 J. Retail Operation - A business regularly engaged in, and whose business consists to a substantial  
16 extent of, selling goods to a buyer, not principally for the purpose of resale.

17 K. Sales Factor - As primarily defined in Section 220.15(5), Florida Statutes, the sales factor is a  
18 fraction the numerator of which is the total sales of the taxpayer in this County during the taxable  
19 year or period and the denominator of which is the total sales of the taxpayer everywhere during  
20 the taxable year or period.

21 **SECTION 5. Economic Development Ad Valorem Tax Exemption Established**

22 A. Incentive - There is herein established an Economic Development Ad Valorem Tax Exemption  
23 (hereinafter the "exemption"). The exemption is a local option tax incentive for new or expanding  
24 businesses which may be granted or refused at the sole discretion of the Board.

25 B. Ineligible Improvements - The exemptions shall not accrue to improvements to real property  
26 made by or for the use of new or expanding businesses when such improvements have been  
27 included on the tax rolls prior to the effective date of the ordinance specifically granting a  
28 business an exemption as provided in Section 7.G. herein.

29 C. Eligible Improvements - Any exemption granted may apply up to one hundred (100%) percent of  
30 the assessed value of all improvements to real property made by or for the use of a new business  
31 and of all tangible personal property of such new business, or up to one hundred (100%) percent  
32 of the assessed value of all added improvements to real property made to facilitate the expansion  
33 of an existing business and of the net increase in all tangible personal property acquired to  
34 facilitate such expansion of an existing business, provided that the improvements to real property  
35 are made or the tangible personal property is added or increased under either of the following  
36 two conditions: (1) by **January 1st** of the year in which the application will be filed as provided in  
37 Sections 5.F.1. and 7.G herein; or (2) after the effective date of the ordinance specifically granting



1 a business an exemption as provided in Sections 5.F.2 and 7.G. herein. Property acquired to  
2 replace existing property shall not be considered to facilitate a business expansion.

3 D. Exemption Period - The exemption may be for a period up to ten (10) years from the date the  
4 Board adopts the ordinance granting the exemption.

5 E. Land - No exemption shall be granted for the land upon which new or expanded businesses are  
6 to be located.

7 F. Completed or Planned Improvements – A business may file an exemption under either of the  
8 following two conditions:

9 1. Completed Improvements - No exemption shall be granted to any existing building or an  
10 addition to an existing building unless such building or addition was completed within the  
11 12-month period (**January 1st to December 31st**) preceding the date of application.

12 2. Planned Improvements - The only exception to Section 5.F.1. above is when a business  
13 submits an application and the building or addition was not completed within the 12-  
14 month period preceding the date of the application and/or all tangible personal property  
15 improvements are not in the building or addition at the time of the filing of the application,  
16 but the application identifies all planned improvements, including the total estimated  
17 amount of such improvements, none of which can be changed or increased following the  
18 adoption of the ordinance granting the exemption.

19 G. Retail - No exemption shall be granted to any retail operation.

20 H. Taxes Applicable - The exemption applies only to taxes levied by Palm Beach County. The  
21 exemption does not apply to taxes levied by a municipality, school district, or water management  
22 district, or to taxes levied for the payment of bonds or taxes authorized by a vote of the electors  
23 pursuant to Section 9 and Section 12, Article VII of the State Constitution.

24 I. Business Maintenance, Annual Report & Annual Exemption Renewal Application - The ability to  
25 receive an exemption for the period granted is conditioned upon:

26 1. Business Maintenance - The applicant's ability to maintain the new business or the  
27 expansion of an existing business as defined in Section 4 of this Ordinance throughout  
28 the entire period; and

29 2. Annual Report - The Applicant shall be required to submit a report on an annual basis to  
30 the Board evidencing satisfaction of this condition. The report shall be submitted to the  
31 Board on or before **March 1st** for each year the exemption is in effect. The report shall  
32 be made in such form as attached hereto and made a part hereof as Exhibit "B". The  
33 Board or its designee shall provide the applicant with a blank copy of the annual report no  
34 later than **December 1st**, which will be ninety (90) days prior to the **March 1st** filing  
35 deadline; and

36 3. Annual Renewal Exemption Application - The applicant shall be required to submit an  
37 annual exemption renewal application and employee roster to the Property Appraiser on

1 or before **March 1st** of each year for which the exemption was granted evidencing  
2 satisfaction of this condition. The renewal application shall be made in such form as  
3 attached hereto and made a part hereof as Exhibit "C".

- 4 4. Continued Performance - Any business granted an exemption shall furnish to the Board  
5 or its designee, such information/report as the Board or its designee may reasonably  
6 deem necessary for the purpose of determining continued performance by the business  
7 of the conditions stated in this Ordinance and the representations made in the application  
8 process.

9 **SECTION 6. Application for Exemption**

- 10 A. Application - Any eligible person, firm, partnership or corporation which desires an exemption  
11 shall file with the Board a written application prescribed by the Department (DR-418), a copy of  
12 which is attached hereto and incorporated herein as Exhibit "A".
- 13 B. Required Information - The application shall request that the Board adopt an ordinance granting  
14 the applicant the exemption and shall include, at a minimum, the following:
- 15 1. The name and location of the new business or the expansion of an existing business;
  - 16 2. The name of the owner(s) of the new business or the expansion of an existing business;
  - 17 3. A description of the improvements to the real property for which an exemption is  
18 requested and the date of commencement of construction of such improvement;
  - 19 4. A description of the tangible personal property for which an exemption is requested and  
20 the dates when such property was or is to be purchased;
  - 21 5. Proof, to the satisfaction of the Board, that the applicant meets the criteria for a new  
22 business or for an expansion of an existing business as defined in Section 4 hereof;
  - 23 6. The following information:
    - 24 (a) the current number of full-time/equivalent (FTE) and seasonal employees of the  
25 expanding business; the total number of FTE and seasonal jobs to be created  
26 and maintained by the new or expanding business, and the period (total number  
27 of years) needed to fill all of the new jobs;
    - 28 (b) the expected number of employees who will reside in Palm Beach County;
    - 29 (c) the average annual wage of the new jobs, identifying the average annual salary  
30 with executives salaries included and with executives salaries excluded;
    - 31 (d) the type of industry or business;
    - 32 (e) the environmental impact of the business;
    - 33 (f) the current and anticipated volume (in dollars) of business or production, and the  
34 percentage of total product sales outside Palm Beach County;
    - 35 (g) whether relocation or expansion would occur without the exemption;
    - 36 (h) the cost and demand for services;
    - 37 (i) the source of supplies (local or otherwise);



- 1 (j) whether the business will be/is located in a community redevelopment area  
2 and/or enterprise zone; and
- 3 (k) the total length (number of years) of the exemption period being requested.
- 4 7. Other information deemed necessary by the Board.
- 5 C. Job Creation & Maintenance – A business will be required to commence the creation of full-time  
6 jobs within the period of the exemption and to maintain any newly filled jobs for its facility in Palm  
7 Beach County at minimum through to the expiration of the exemption granted by the Board. If a  
8 business requires additional time beyond the date of the expiration of the exemption to satisfy all  
9 new job creation, maintenance and salary commitments identified in the application, it will be  
10 necessary for the business and the County to enter into a separate agreement which will obligate  
11 the business to comply fully with those commitments.
- 12 D. Community Redevelopment Agency - If a new business is locating to, or an expansion of an  
13 existing business is occurring in, a community redevelopment area, the community  
14 redevelopment agency overseeing such area shall be provided a copy of the application for  
15 review and comment. Input from the community redevelopment agency will be considered in  
16 deciding whether an application is to be granted. Should a community redevelopment agency  
17 object to the grant of an exemption, the agency may submit said objection in the form of a duly  
18 adopted resolution to the Board for its consideration.
- 19 E. Filing Deadline - The application shall be filed on or before **March 1st** of the year in which an  
20 exemption is requested.
- 21 F. Review - Upon submittal of the application, the County Administrator or his designee shall review  
22 same and, within ten (10) days of submission, notify the applicant of any facial deficiencies.
- 23 G. Agreement – A business will be required to enter into an agreement with the Board to ensure that  
24 the business will satisfy its job creation and maintenance obligations.
- 25 **SECTION 7. Board of County Commissioners Consideration of Application**
- 26 A. Action Within 90-Day Period - The Board shall take action on the application, including the  
27 enactment of the required ordinance should the Board decide to grant the application, within  
28 ninety (90) days of **March 1st**. During this  
29 90-day period, interested agencies and parties shall have an opportunity to review and comment  
30 on the application. Time is of the essence in consideration of the application.
- 31 B. Eligibility Threshold - The threshold for eligibility is whether the business meets the definition of a  
32 new business or of an expansion of an existing business as provided in Section 4 of this  
33 Ordinance, and one which is not an ineligible business or industry as defined in Paragraph D. of  
34 this Section and Section 5.G. of this Ordinance.
- 35 C. Economic Benefit - The next level to determine eligibility is the Board's consideration of the  
36 information in the application to determine whether the economic benefit test is met.
- 37 D. Environmental - Any existing business in violation of any federal, state, or local law or regulation

- 1 governing environmental matters is not eligible for an exemption.
- 2 E. Property Appraiser Review - Before the Board takes action on an application, the Board shall
- 3 deliver a copy of same to the Property Appraiser for review. After careful consideration, the
- 4 Property Appraiser shall report to the Board the fiscal impact of granting the exemption.
- 5 F. Property Appraiser Report - The Property Appraiser's report shall include the following:
- 6 1. The total revenue available to the County for the current fiscal year from ad valorem tax
- 7 sources, or an estimate of such revenue if the actual total available revenue cannot be
- 8 determined;
- 9 2. The amount of revenue lost to the County for the current fiscal year by virtue of
- 10 exemptions previously granted, or an estimate of such revenue if the actual revenue lost
- 11 cannot be determined;
- 12 3. An estimate of the amount of revenue which would be lost to the County for the current
- 13 fiscal year if the exemption applied for was granted had the property for which the
- 14 exemption is requested otherwise been subject to taxation; and
- 15 4. A determination as to whether the property for which an exemption is requested is to be
- 16 incorporated into a new business or the expansion of an existing business, or into
- 17 neither, which determination the Property Appraiser shall also affix to the face of the
- 18 application. Upon request, the Department will provide the Property Appraiser such
- 19 information as it may have available to assist in making this determination.
- 20 G. Ordinance - After consideration of the application and the report of the Property Appraiser on the
- 21 application, the Board may choose to adopt an ordinance granting the exemption to a new or
- 22 expanding business. If a community redevelopment agency submits a resolution objecting to the
- 23 granting of an application, adoption of an ordinance granting an exemption in the objecting
- 24 community redevelopment area shall require an extraordinary vote of the Board. If granted, the
- 25 ordinance shall include the following information:
- 26 1. The name and address of the new business or the expansion of an existing business;
- 27 2. The name of the owner(s) of the new business or the expansion of an existing business;
- 28 3. The total amount of revenue available to the County from ad valorem tax sources for the
- 29 current fiscal year, the total amount of the revenue lost to the County for the current fiscal
- 30 year by virtue of exemptions currently in effect, and the estimated amount of revenue
- 31 attributable to the exemption granted to the new or expanding business;
- 32 4. The expiration date of the exemption, which is (10) ten years or less (depending upon the
- 33 duration of the exemption granted) from the date the Board enacts the ordinance granting
- 34 the exemption; and
- 35 5. A finding that the business meets the definition of a new business or an expansion of an
- 36 existing business as set forth in Section 4 herein.
- 37 H. Ownership - The business granted an exemption shall be required to inform the Board in writing



1 within ten (10) days as to any changes in ownership of the business granted an exemption.  
2 Failure of the business granted an exemption to notify the Board in writing of any such changes in  
3 ownership is cause for revocation of the ordinance granting the exemption.

- 4 I. Precedent - No precedent shall be implied or inferred by the granting of an exemption to a new or  
5 expanding business. Applications for exemptions shall be considered by the Board on a case-by  
6 case basis for each application, after consideration of the application and the Property  
7 Appraiser's report on the application.

8 **SECTION 8. Application Fee**

9 A non-refundable fee in the amount of \$1,000.00 shall be charged for processing the Economic  
10 Development Ad Valorem Tax Exemption Application and preparing, implementing, and monitoring any  
11 Exemption Ordinance adopted by the Board.

12 **SECTION 9. Revocation of Exemption/Recovery of Funds**

- 13 A. Board - Should any new business or expansion of an existing business fail to file the annual  
14 report with the Board on or before **March 1st** of each year the exemption has been granted as  
15 required in Sections 5. I.1. and 5.I.2., or fail to continue to meet the definition of a new business  
16 or an expansion of an existing business, and/or fail to fulfill any other representation made to the  
17 Board during the application process, including the creation and maintenance of the total number  
18 of new jobs identified by a business in the application (Exhibit "A"), the Board may adopt an  
19 ordinance revoking the ad valorem tax exemption.
- 20 B. Revocation - The revocation of an ordinance may occur for a business that fails to fulfill its  
21 obligations as provided for under the ordinance granting the business an exemption after the  
22 expiration of this Ordinance on August 31, 2014. The effective date for revocation of the  
23 exemption will be identified in the ordinance.
- 24 C. Notification - Upon revocation, the Board shall immediately notify the Property Appraiser.
- 25 D. Recover Taxes - For any year that taxes may have been exempted and the Board finds that the  
26 business was not entitled to the exemption, such taxes may be recovered and the Property  
27 Appraiser will assist the Board to recover any taxes exempted.
- 28 E. Property Appraiser - Should any new business or expansion of an existing business fail to file the  
29 annual exemption renewal application with the Property Appraiser on or before **March 1st** of  
30 each year the exemption has been granted as required in Sections 5. I.3. and in accordance with  
31 Chapter 196.011(1)(a), Florida Statutes, or fail to continue to meet the definition of a new  
32 business or an expansion of an existing business, the Property Appraiser may deny the  
33 exemption in accordance with Chapter 196.193(5), Florida Statutes.
- 34 F. Reapply - Nothing herein shall prohibit a business from reapplying for an ad valorem tax  
35 exemption pursuant to State law.

36 **SECTION 10. Appeals**

37 The decision of the Board not to grant an exemption to a particular business is subject only to

1 judicial review.

2 **SECTION 11. Applicability**

3 This Ordinance shall be applicable in all areas of Palm Beach County where Palm Beach County  
4 is the taxing authority. For purposes of enforcement and revocation, this Ordinance shall survive the  
5 expiration date of August 31, 2014.

6 **SECTION 12. Inclusion in the Code of Laws and Ordinances**

7 The provisions of this Ordinance shall become and be made a part of the Code of Laws and  
8 Ordinances of Palm Beach County, Florida. The sections of this Ordinance may be renumbered or  
9 relettered to accomplish such, and the word "ordinance" may be changed to "section", "article", or any  
10 other appropriate word.

11 **SECTION 13. Severability**

12 If any section, paragraph, sentence, clause, phrase, or word of this Ordinance is for any reason  
13 held by a Court to be unconstitutional, inoperative or void, such holding shall not affect the remainder of  
14 this Ordinance.

15 **SECTION 14. Repeal of Laws in Conflict**

16 All local ordinances in conflict with any provision of this Ordinance are hereby repealed to the  
17 extent of such conflict.

18 **SECTION 15. Effective Date**

19 The provisions of this Ordinance shall become effective upon filing with the Secretary of State .

20 **APPROVED AND ADOPTED** by the Board of County Commissioners of Palm Beach County, on  
21 the 15th day of February, 2005.

22 ATTEST:  
23 CLERK & COMPTROLLER  
24 SHARON R. BOCK  
25 BY: *Judith Cristine* *Anthony Masiotti*  
26 Deputy Clerk County Board of County Commissioners  
27

28  
29 APPROVED AS TO TERMS AND CONDITIONS: APPROVED AS TO FORM AND LEGAL SUFFICIENCY:  
30  
31

32 By: *Verdania Baker* By: *[Signature]*  
33 Director of Assistant County Attorney  
34 Economic Development  
35  
36  
37

38 **EFFECTIVE DATE:** Filed with the Department of State on the 21st day of February,  
39 2005.

40 H:\Tax Exemption\ 2004 New Applic Packet\TAX\_Ordinance\_adopt\_2\_15\_05\_ownerID.doc

41  
42 Revised: February 8, 2005



EXHIBIT “A”

APPLICATION

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION

Chapter 196.1995, Florida Statutes

**NOTICE**  
Application is to be filed with the Board of County Commissioners no later than March 1 of the year the exemption is desired to take effect.

An applicant applying for an exemption on Tangible Personal Property must fill out and submit the **Florida Department of Revenue form DR-405 (Tangible Personal Property Tax Return)**. Refer to Item 12 below.

If insufficient space is provided for a response, attachments may be enclosed.

1. BUSINESS NAME AND MAILING ADDRESS	
Business applicant legal name:	
Business street address in Palm Beach County:	
Business mailing address:	
Telephone:	Fax:
2. PROPERTY OWNER	
Full legal name of owner of this business:	Title:
Telephone:	Fax:
E-mail address:	
3. PERSON IN CHARGE OF THIS BUSINESS / CONTACT	
Name of employee to contact regarding this application:	Title:
Telephone:	Fax:
E-mail address:	
4. EXACT LOCATION	
Legal description of property for which this application is filed:	
Property control numbers:	
Street address of this property:	
5. COMMENCE OPERATIONS	
Date you began, or will begin, business activities at this facility:	
6. NEW OR EXPANSION BUSINESS	7. REAL AND/OR TANGIBLE PERSONAL PROPERTY
Do you desire exemption as:	Do you desire exemption for:
<input type="checkbox"/> New Business <input type="checkbox"/> Expansion of an Existing Business	<input type="checkbox"/> Real Property <input type="checkbox"/> Tangible Personal Property
8. TYPE OF BUSINESS	
Describe the type or nature of your business:	
9. TRADE LEVEL	
Check as many as apply below. Identify industry cluster (if applicable):	
<input type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other	

10. Total number of years that applicant requests exemption:  
(length of exemption approved is at sole discretion of County Commission and commences on effective date of ordinance granting exemption)

11. Description of improvements to real property for which exemption is requested:

## TANGIBLE PERSONAL PROPERTY

Any additional personal property not listed on the table DR- 418 "Tangible Personal Property" for which an exemption is claimed must be provided on form DR-405 "Tangible Personal Property Tax Return".

13. Average value of inventory on hand: \$

14. The applicant must enclose current payroll roster as of January 1<sup>st</sup> of the year the exemption is being sought. Provide hire dates and job titles; omit employee names and social security numbers of employees.

**Current Jobs - expansion of an existing business.** Total number of full-time jobs for four most recent years:

Total number of jobs to be created and to be maintained:

```
[      ] CURRENT JOBS  ◆
[      ] NEW JOBS    ◆◆
[      ] TOTAL PAYROLL
```

**Reside** - Estimated percentage of total employees who will reside in Palm Beach County: %

15. The average annual wage of employees at facility in Palm Beach County:

16. Current sales factor for the facility requesting exemption:

To what extent are these same or similar products and/or services currently being produced or provided by other businesses in Palm Beach County:

If there are any plans for new products and/or services involving the facility in Palm Beach County, provide a description:

17. For office or facility space in Palm Beach County owned or leased and used by a corporation newly domiciled in Florida, the date of incorporation in Florida:





EXHIBIT "A"

ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION

Chapter 196. 1995, Florida Statutes

Business Name:

PROPERTY APPRAISER'S USE ONLY

I.	Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources: \$ _____
II.	Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section: \$ _____
III.	Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted had the property for which the exemption is requested otherwise had been subject to taxation: \$ _____
IV.	Estimate of the taxable value lost to the county or municipality if the exemption applied for were granted:  Improvements to Real Property: \$ _____ Personal Property: \$ _____
V.	I have determined that the property listed above meets the definition, as defined by Section 196.012 (15) or (16), Florida Statutes, as a  <input type="checkbox"/> New Business <input type="checkbox"/> Expansion of an Existing Business <input type="checkbox"/> Neither
VI.	Last year for which exemption may be applied: _____
DATE	SIGNATURE (Property Appraiser)

APPLICATION TO BE FILED NOT LATER THAN MARCH 1<sup>st</sup>



**EXHIBIT "A"**  
**TANGIBLE PERSONAL PROPERTY**  
**ECONOMIC DEVELOPMENT AD VALOREM PROPERTY TAX EXEMPTION**  
CHAPTER 196.1995, FLORIDA STATUTES

6.a. Description of the tangible personal property for which this exemption is requested and date when property was, or is to be, purchased.

CLASS OR ITEM	AGE	DATE F PURCHASE	ORIGINAL COST	TAXPAYER'S ESTIMATE OF CONDITION			TAXPAYER'S ESTIMATE OF FAIR MARKET VALUE	APPRAISER'S USE ONLY	
				G O O D	A V G	P O O R		CONDITION	

## General Information

Ad Valorem property tax exemptions can be granted to new and expanding businesses only after the voters of a city and/or county vote in a referendum to allow that city or county to grant exemptions. Section 196.1995, Florida Statutes, requires that a referendum be held if: (1) The Board of County Commissioners or governing authority of a municipality (city or county commission) votes to hold such a referendum, or (2) if the county or city commission receives a petition signed by ten percent of the registered voters of the county or city. This referendum question can then be placed before the voters of a city or county at any regular election or special election called for voting on the tax incentive referendum or for any other purpose.

If the voters authorize exemptions, a company must first meet the definitions of a new or expanding business as stated in s. 196.012 (15) and (16), F.S.

The expansion must be on the same or a colocated site of the business current operations.

If a business meets one of the above definitions as a new or expanding business, it must then file this application with the county or city commission or both.

After the city or county commission receives this application, it must submit the application to the county property appraiser for review. After the property appraiser makes the report as to the fiscal impact of granting the exemption, the county or city commission shall then adopt an ordinance in the usual manner granting the exemption, if it chooses to do so.

A business cannot receive exemption from school taxes or water management district taxes. Also a business must pay taxes that were voted by the voters of a city or county to pay for bond issues and other special tax levies authorized by the voters of a city or county.

The exemption can only be for the improvements to the real property and for tangible personal property. The land on which the new or expanding business is to be located will still be taxed and taxes must be paid on it.

The action taken by a city or county commission can only exempt the taxes paid to that governmental body. A city can only exempt its taxes; a county can only exempt its taxes. All other taxes must be paid.

## Statutory Definitions

### Section 196.011 Annual application required for exemption.—

(1)(a) Every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).

### Section 196.012(15) and (16), Florida Statutes

#### (15) “New business” means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s.220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses 50 or more full-time employees of such corporation; provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(b) Any business located in an enterprise zone that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(c) A new business that is situated on property annexed into a municipality and that, at the time of annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995.

#### (16) “Expansion of an existing business” means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operation on a site colocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

(b) Any business located in an enterprise zone that increases operations on a site colocated with a commercial or



industrial operation owned by the same business.

**Section 196.1995 Economic development ad valorem tax exemption.-**

(6) With respect to a new business as defined by s. 196.012(15)(c), the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption.

**Section 220.15(5), Florida Statutes.**

(5) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a) As used in this subsection, the term "sales" means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:

1. Rental income is included in the term if a significant portion of the taxpayer's business consists of leasing or renting real or tangible personal property; and 2. Royalty income is included in the term if a significant portion of the taxpayer's business consists of dealing in or with the production, exploration, or development of minerals.

(b)1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.

(c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trust, and brokerage companies, occur in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;
2. Gross profits from trading in stocks, bonds, or other securities managed within this state;
3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state, and dividends received within this state;
4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;
5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;
6. Rents from real or tangible personal property located in this state; or
7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

**Source: Florida Department of Revenue DR-418, R. 12/99**

[ <http://www.myflorida.com/dor/forms/2003/dr418r1299.pdf> ]



## EXHIBIT "B"

### BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY ECONOMIC DEVELOPMENT AD VALOREM TAX EXEMPTION PROGRAM ANNUAL REPORT

FOR EXEMPTION PERIOD: January 1, \_\_\_\_\_ to December 31, \_\_\_\_\_

As required by Section 5.I. of the Ad Valorem Tax Exemption Ordinance for this program, this form is to be filed with the Board of County Commissioners no later than March 1 for each year the exemption is in effect and still desired by the business.

1. <b>BUSINESS NAME</b> and mailing address:
2. Name and telephone number of business owner or person in charge of this business:
3. Exact location (street address) of property for which this report is filed:
4. Date you began business activities at this facility:
5. <b>REAL PROPERTY</b> a) Description of the improvements to real property for which this exemption is requested:  b) Date of commencement of construction of improvements:
6. <b>TANGIBLE PERSONAL PROPERTY</b> a) Description of the tangible personal property for which this exemption is requested and date when property was purchased: Provide this information on the attached form PB-418(6a)/AR, "Tangible Personal Property" Annual Report. b) Average value of inventory on hand as of January 1st: [ \$ ]
7. Have you maintained the definition of a <input type="checkbox"/> "New Business" or as an <input type="checkbox"/> "Expansion of an Existing Business"? <input type="checkbox"/> Yes <input type="checkbox"/> No
8. Describe the type or nature of your business:
9. Trade level (check as many as apply): <input type="checkbox"/> Wholesale <input type="checkbox"/> Manufacturing <input type="checkbox"/> Professional <input type="checkbox"/> Service <input type="checkbox"/> Office <input type="checkbox"/> Other
10. <b>JOBS AND AVERAGE ANNUAL SALARY</b> a) <b>Fill out the attached form PB-418(6b)/AR, "Jobs And Average Annual Salary"</b> for the appropriate year and provide the following: b) Total number of full-time, equivalent and seasonal employees in Palm Beach County: [ ]. (attach current payroll roster as of January 1 <sup>st</sup> (covers employee payroll for Jan. 1 <sup>st</sup> through to Dec. 31 <sup>st</sup> of prior year; provide hire dates; omit names and social security numbers of employees) c) Net increase in full-time employment [ ] and percentage increase since exemption was granted [ % ] d) Average annual salary of employees as of January 1 <sup>st</sup> payroll roster with executive positions. e) Average annual salary of employees as of January 1 <sup>st</sup> payroll roster without executive positions.
11. <b>TOTAL SALES</b> Sales factor for the facility requesting exemption: Total sales in Palm Beach County ending December 31 <sup>st</sup> of prior year from this facility [ \$ ] Divided by total sales everywhere from this facility ÷ [ \$ ] equals [ % ] Percentage increase in productive output resulting from this expansion since year exemption was granted [ % ]
12. For office or facility space owned or leased and used by a corporation newly domiciled in Florida: a) Date of incorporation in Florida: b) Number of full-time employees at the time of application: [ ] and currently at this location: [ ]

I agree to furnish such other reasonable information as the Board of County Commissioners may request in regard to the exemption. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his/her declaration is based on all information of which he has any knowledge.)

Taxpayer Name & Title:	Preparer Name, Address & Telephone Number:
SIGNATURE	SIGNATURE
DATE	DATE



**EXHIBIT "B" - ANNUAL REPORT (continued)**

## NOTARIZATION OF ANNUAL REPORT

I. The information provided in the Annual Report is accurate and complete for the business facility identified hereinabove.

## II. NOTARY

**PROPERTY APPRAISER'S USE ONLY**

I. Estimate of the revenue which will be lost to the County during the current fiscal year had the exempt property otherwise been subject to taxation:

II. Estimate of the taxable value lost to the County: [ \$

Improvements to real property: [ \$ ]      Personal Property: [ \$ ]

DATE \_\_\_\_\_

SIGNATURE (Property Appraiser)

**EXHIBIT "B" - ANNUAL REPORT (continued)**

## TANGIBLE PERSONAL PROPERTY

## Economic Development Ad Valorem Tax Exemption

**6.a. Description of the tangible personal property for which this exemption is requested and date when property was purchased.**

[illegible]



EXHIBIT "B" - ANNUAL REPORT (continued)

JOBS AND AVERAGE ANNUAL SALARY

Economic Development Ad Valorem Tax Exemption

6.b. Identification of the annual status of Total Jobs and Average Annual Salary as of January 1<sup>st</sup>.

Exemption Period	Year	FULL-TIME JOBS		EQUIVALENT JOBS (2,080 Hours)		SEASONAL JOBS		TOTAL JOBS	
		Total	Avg. Annual Salary	Total	Avg. Annual Salary	Total	Avg. Annual Salary	Total	Avg. Annual Salary
Existing Jobs: Applicable									
New Jobs Obligation									
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
<b>INSTRUCTIONS:</b> Identify the Full-Time Jobs above. If there are no Equivalent Jobs or no Seasonal Jobs enter non-applicable (N/A). These job figures are restricted to the company's facility or facilities that are located in Palm Beach County. Refer to Item # 10 on the Annual Report concerning additional job and salary data requirements.									

## ANNUAL EXEMPTION RENEWAL APPLICATION

DR-418  
R. 12/99

To be filed with the Board of County Commissioners, the governing boards of the municipality, or both, no later than March 1 of the year the exemption is desired to take effect.

1. Business Name and Mailing Address: \_\_\_\_\_  
\_\_\_\_\_
2. Please give name and telephone number of Owner or Person in charge of this Business.  
Name \_\_\_\_\_ Telephone Number \_\_\_\_\_
3. Exact Location (Legal Description and Street Address) of Property for which this return is filed: \_\_\_\_\_
4. Date you began, or will begin, business at this facility: \_\_\_\_\_
5. a. Description of the improvements to real property for which this exemption is requested: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_
- b. Date of commencement of construction of improvements: \_\_\_\_\_
6. a. Description of the tangible personal property for which this exemption is requested and date when property was, or is to be purchased: \_\_\_\_\_

[illegible]

- b. Average Value of inventory on hand: \_\_\_\_\_
- c. Any additional personal property not listed above for which an exemption is claimed must be returned on form DR-405 (Tangible Personal Property Tax Return) and a copy attached to this form.
7. Do you desire exemption as a "New Business" ☐ or as an "Expansion of an Existing Business" ☐
8. Describe Type or Nature of Your Business: \_\_\_\_\_
9. Trade Level (Check as many as apply)
- |                                 |                                    |  |                                       |                                  |                                 |                                |
|---------------------------------|------------------------------------|--|---------------------------------------|----------------------------------|---------------------------------|--------------------------------|
| Retail <input type="checkbox"/> | Wholesale <input type="checkbox"/> | Manufacturing <input type="checkbox"/> | Professional <input type="checkbox"/> | Service <input type="checkbox"/> | Office <input type="checkbox"/> | Other <input type="checkbox"/> |
|---------------------------------|------------------------------------|--|---------------------------------------|----------------------------------|---------------------------------|--------------------------------|

10. a. Number of full-time employees to be employed in Florida \_\_\_\_\_
- b. If an expansion of an existing business:
- (1) Net increase in employment \_\_\_\_\_ or \_\_\_\_\_ %
- (2) Increase in productive output resulting from this expansion \_\_\_\_\_ %
11. Sales factor for the facility requesting exemption:
- Total sales in Florida from this facility-one (1) location only \_\_\_\_\_ divided by
- Total sales everywhere from this facility-one (1) location only \_\_\_\_\_ = \_\_\_\_\_ %
12. For office space owned and used by a corporation newly domiciled in Florida:
- a. Date of incorporation in Florida: \_\_\_\_\_
- b. Number of full-time employees at this location: \_\_\_\_\_

I hereby request the adoption of an ordinance granting an exemption from ad valorem taxation on the above property pursuant to Section 196.1995, Florida Statutes. I agree to furnish such other reasonable information as the Board of County Commissioners, the governing authority of the municipality, or the Property Appraiser may request in regard to the exemption requested herein. I hereby certify that the information and valuation stated above by me is true, correct, and complete to the best of my knowledge and belief. (If prepared by someone other than the taxpayer, his declaration is based on all information of which he has any knowledge.)

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_ (Preparer)

SIGNED: \_\_\_\_\_ (Taxpayer) \_\_\_\_\_ (Preparer's Address)

TITLE: \_\_\_\_\_ (Preparer's Telephone Number)

**Property Appraiser's Use Only**

- I. Total revenue available to the county or municipality for the current fiscal year from ad valorem tax sources: \_\_\_\_\_
- II. Revenue lost to the county or municipality for the current fiscal year by virtue of exemptions previously granted under this section: \_\_\_\_\_
- III. Estimate of the revenue which would be lost to the county or municipality during the current fiscal year if the exemption applied for were granted and the property for which the exemption is requested would otherwise have been subject to taxation: \_\_\_\_\_
- IV. Estimate of the taxable value lost to the county or municipality if the exemption applied for was granted:  
Improvements to real property \_\_\_\_\_ Personal Property \_\_\_\_\_
- V. I have determined that the property listed above meets the definition, as defined by Section 196.012(15) or (16), Florida Statutes, as a New Business ☐, an "Expansion of an Existing Business" ☐, or Neither ☐.
- VI. Last year for which exemption may be applied \_\_\_\_\_

DATE: \_\_\_\_\_ SIGNED: \_\_\_\_\_  
(Property Appraiser)

**Application to be filed not later than March 1**



## EXHIBIT "C"

# ANNUAL EXEMPTION RENEWAL APPLICATION

### General Information

Ad Valorem property tax exemptions can be granted to new and expanding businesses only after the voters of a city and/or county vote in a referendum to allow that city or county to grant exemptions. Section 196.1995, Florida Statutes, requires that a referendum be held if: (1) The Board of County Commissioners or governing authority of a municipality (city or county commission) votes to hold such a referendum, or (2) if the county or city commission receives a petition signed by ten percent of the registered voters of the county or city. This referendum question can then be placed before the voters of a city or county at any regular election or special election called for voting on the tax incentive referendum or for any other purpose.

If the voters authorize exemptions, a company must first meet the definitions of a new or expanding business as stated in s. 196.012 (15) and (16), F.S.

The expansion must be on the same or a colocated site of the business current operations.

If a business meets one of the above definitions as a new or expanding business, it must then file this application with the county or city commission or both.

After the city or county commission receives this application, it must submit the application to the county property appraiser for review. After the property appraiser makes the report as to the fiscal impact of granting the exemption, the county or city commission shall then adopt an ordinance in the usual manner-granting the exemption, if it chooses to do so.

A business cannot receive exemption from school taxes or water management district taxes. Also a business must pay taxes that were voted by the voters of a city or county to pay for bond issues and other special tax levies authorized by the voters of a city or county.

The exemption can only be for the improvements to the real property and for tangible personal property. The land on which the new or expanding business is to be located will still be taxed and taxes must be paid on it.

The action taken by a city or county commission can only exempt the taxes paid to that governmental body. A city can only exempt its taxes; a county can only exempt its taxes. All other taxes must be paid.

### Statutory Definitions

#### Section 196.011 Annual application required for exemption.—

(1)(a) Every person or organization who, on January 1, has the legal title to real or personal property, except inventory, which is entitled by law to exemption from taxation as a result of its ownership and use shall, on or before March 1 of each year, file an application for exemption with the county property appraiser, listing and describing the property for which exemption is claimed and certifying its ownership and use. The Department of Revenue shall prescribe the forms upon which the application is made. Failure to make application, when required, on or before March 1 of any year shall constitute a waiver of the exemption privilege for that year, except as provided in subsection (7) or subsection (8).

#### Section 196.012(15) and (16), Florida Statutes

(15) "New business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant;

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s.220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; or

3. An office space in this state owned and used by a corporation newly domiciled in this state; provided such office space houses 50 or more full-time employees of such corporation; provided that such business or office first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(b) Any business located in an enterprise zone that first begins operation on a site clearly separate from any other commercial or industrial operation owned by the same business.

(c) A new business that is situated on property annexed into a municipality and that, at the time of annexation, is receiving an economic development ad valorem tax exemption from the county under s. 196.1995.

(16) "Expansion of an existing business" means:

(a)1. A business establishing 10 or more jobs to employ 10 or more full-time employees in this state, which manufactures, processes, compounds, fabricates, or produces for sale items of tangible personal property at a fixed location and which comprises an industrial or manufacturing plant; or

2. A business establishing 25 or more jobs to employ 25 or more full-time employees in this state, the sales factor of which, as defined by s. 220.15(5), for the facility with respect to which it requests an economic development ad valorem tax exemption is less than 0.50 for each year the exemption is claimed; provided that such business increases operation on a site colocated with a commercial or industrial operation owned by the same business, resulting in a net increase in employment of not less than 10 percent or an increase in productive output of not less than 10 percent.

(b) Any business located in an enterprise zone that increases operations on a site colocated with a commercial or industrial operation owned by the same business.

#### Section 196.1995 Economic development ad valorem tax exemption.—

(6) With respect to a new business as defined by s. 196.012(15)(c), the municipality annexing the property on which the business is situated may grant an economic development ad valorem tax exemption under this section to that business for a period that will expire upon the expiration of the exemption granted by the county. If the county renews the exemption under subsection (7), the municipality may also extend its exemption. A municipal economic development ad valorem tax exemption granted under this subsection may not extend beyond the duration of the county exemption. **Section 220.15(5), Florida Statutes.**

(5) The sales factor is a fraction the numerator of which is the total sales of the taxpayer in this state during the taxable year or period and the denominator of which is the total sales of the taxpayer everywhere during the taxable year or period.

(a) As used in this subsection, the term "sales" means all gross receipts of the taxpayer except interest, dividends, rents, royalties, and gross receipts from the sale, exchange, maturity, redemption, or other disposition of securities. However:

1. Rental income is included in the term if a significant portion of the taxpayer's business consists of leasing or renting real or tangible personal property; and

2. Royalty income is included in the term if a significant portion of the taxpayer's business consists of dealing in or with the production, exploration, or development of minerals.

(b)1. Sales of tangible personal property occur in this state if the property is delivered or shipped to a purchaser within this state, regardless of the f.o.b. point, other conditions of the sale, or ultimate destination of the property, unless shipment is made via a common or contract carrier.

2. When citrus fruit is delivered by a cooperative for a grower-member, by a grower-member to a cooperative, or by a grower-participant to a Florida processor, the sales factor for the growers for such citrus fruit delivered to such processor shall be the same as the sales factor for the most recent taxable year of that processor. That

sales factor, expressed only as a percentage and not in terms of the dollar volume of sales, so as to protect the confidentiality of the sales of the processor, shall be furnished on the request of such a grower promptly after it has been determined for that taxable year.

3. Reimbursement of expenses under an agency contract between a cooperative, a grower-member of a cooperative, or a grower and a processor is not a sale within this state.

(c) Sales of a financial organization, including, but not limited to, banking and savings institutions, investment companies, real estate investment trust, and brokerage companies, occur in this state if derived from:

1. Fees, commissions, or other compensation for financial services rendered within this state;

2. Gross profits from trading in stocks, bonds, or other securities managed within this state;

3. Interest received within this state, other than interest from loans secured by mortgages, deeds of trust, or other liens upon real or tangible personal property located in this state, and dividends received within this state;

4. Interest charged to customers at places of business maintained within this state for carrying debit balances of margin accounts, without deduction of any costs incurred in carrying such accounts;

5. Interest, fees, commissions, or other charges or gains from loans secured by mortgages, deeds of trust or other liens upon real or tangible personal property located in this state or from installment sale agreements originally executed by a taxpayer or the taxpayer's agent to sell real or tangible personal property located in this state;

6. Rents from real or tangible personal property located in this state; or

7. Any other gross income, including other interest, resulting from the operation as a financial organization within this state.

In computing the amounts under this paragraph, any amount received by a member of an affiliated group (determined under s. 1504(a) of the Internal Revenue code, but without reference to whether any such corporation is an "includable corporation" under s. 1504(b) of the Internal Revenue code) from another member of such group shall be included only to the extent such amount exceeds expenses of the recipient directly related thereto.

STATE OF FLORIDA, COUNTY OF PALM BEACH  
I, SHARON R. BOCK, Clerk and Comptroller  
certify this to be a true and correct copy of the original  
filed in my office on February 15, 2005  
dated at West Palm Beach, FL on 13/17/05  
By: Diane Brown  
Deputy Clerk